

# Bring your financial goals to life

**with asset allocation strategies from Empire Life**



It's important to think of your life goals and dreams to better plan for your future. Working with a financial advisor to pick the right Empire Life segregated fund asset allocation solution can bring you one step closer to realizing them.

Insurance & Investments  
Simple. Fast. Easy.®





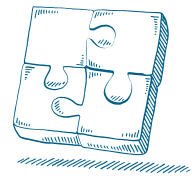
Goals



Risk tolerance



Time Horizon



Your Investor  
Profile



## How asset allocation can help you achieve your goals

There are several core elements that go into constructing an asset allocation strategy. Having a portfolio that best aligns with your investor profile is the first step, but understanding diversification and how the portfolio is constructed can also help you better understand which solution offers the best potential for you to achieve your goals.

## The benefits of a diversified portfolio

Diversification is a strategy used to manage risk inside a portfolio, by investing across several regions, industries, categories or investment styles. A good diversification strategy has the potential to provide higher long-term returns with lower risk than holding any individual investment.



**Chasing winners or losers in any market segment may not provide the results you're expecting. Having broad exposure to a variety of diversification elements can help smooth out the journey and potentially deliver the outcome you're looking for. Here are a few strategies that can help you achieve better diversification:**

## 1. Invest in the world for a smoother journey

If we look at Canada as a share of the total value of all equities in the world, it represents a total of only 3%. Or put another way, 97% of the global investment opportunities lie outside Canada's borders.

Here's a look at some of the best and worst performing countries<sup>1</sup> of the past several years, illustrating why it's important to have broad exposure to several regions:

Worst performing countries <sup>1</sup>			Best performing countries <sup>1</sup>		
2018	Ireland	-18.3%	2018	Brazil	8.8%
2019	India	2.1%	2019	New Zealand	31.8%
2020	France	2.9%	2020	China	27.4%
2021	Ireland	7.9%	2021	India	25.6%
2022	Taiwan	-24.0%	2022	Brazil	22.9%

### Global investment opportunities: Best and worst performing countries<sup>1</sup> 2018 - 2022



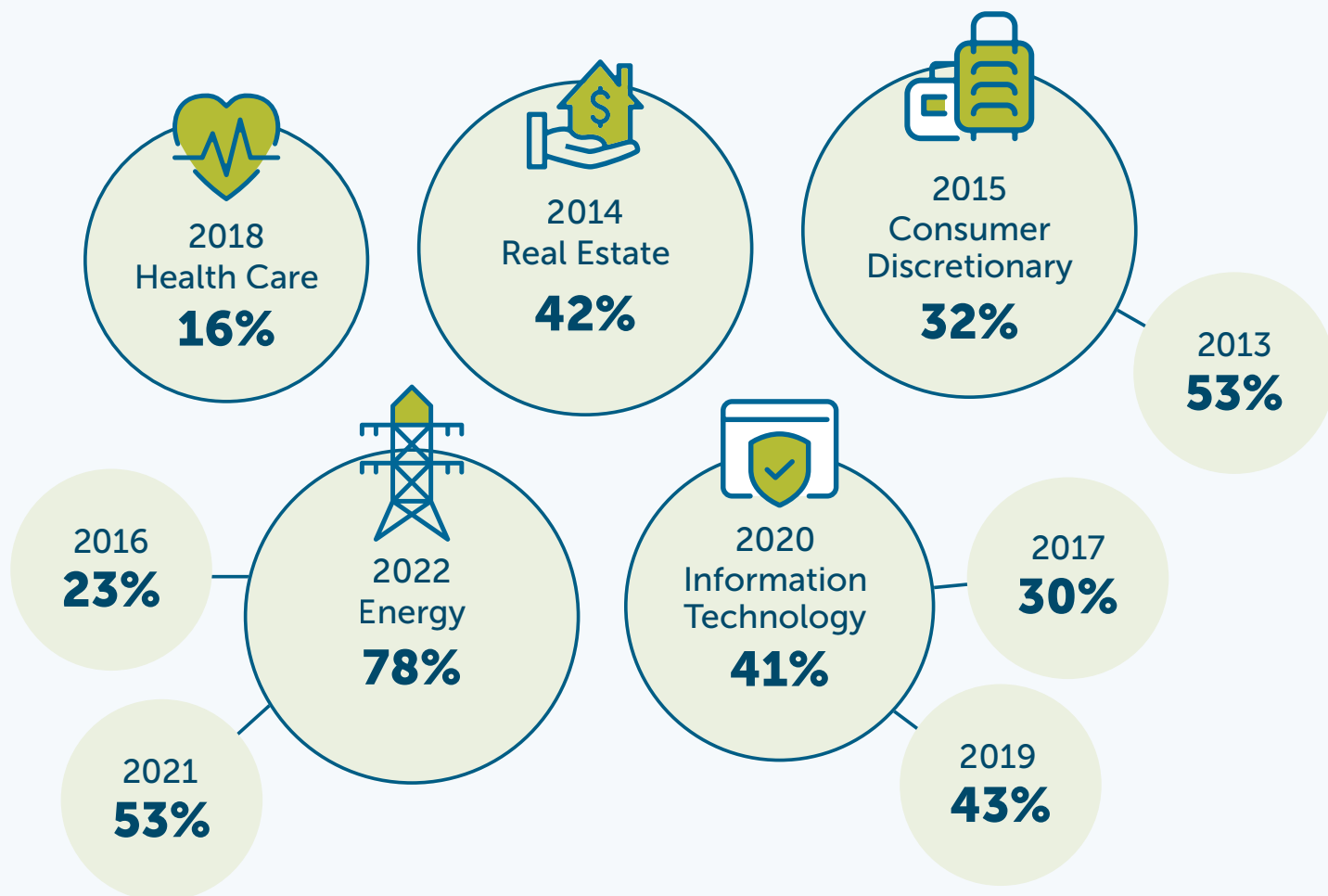
Source: Morningstar Research Inc. as at September 30, 2023. Indices are unmanaged and cannot be invested in directly.

<sup>1</sup> Country returns are for: MSCI Brazil Index, MSCI China Index, MSCI France Index, MSCI India Index, MSCI Ireland Index, MSCI New Zealand Index, MSCI Taiwan Index.

## 2. Break the cycle through exposure to a variety of industries

Having exposure to a wide variety of industry sectors can help ensure that a portfolio doesn't get caught up in the cyclical nature of some of these businesses, helping to reduce overall volatility and provide the opportunity for gains over the long-term. Here's how the last 10-years shaped up for sectors in the U.S.

### Top U.S. industry sectors by year



Source: Morningstar Research Inc. as at September 30, 2023. Indices are unmanaged and cannot be invested in directly. Based on the underlying equity sectors of the S&P 500.



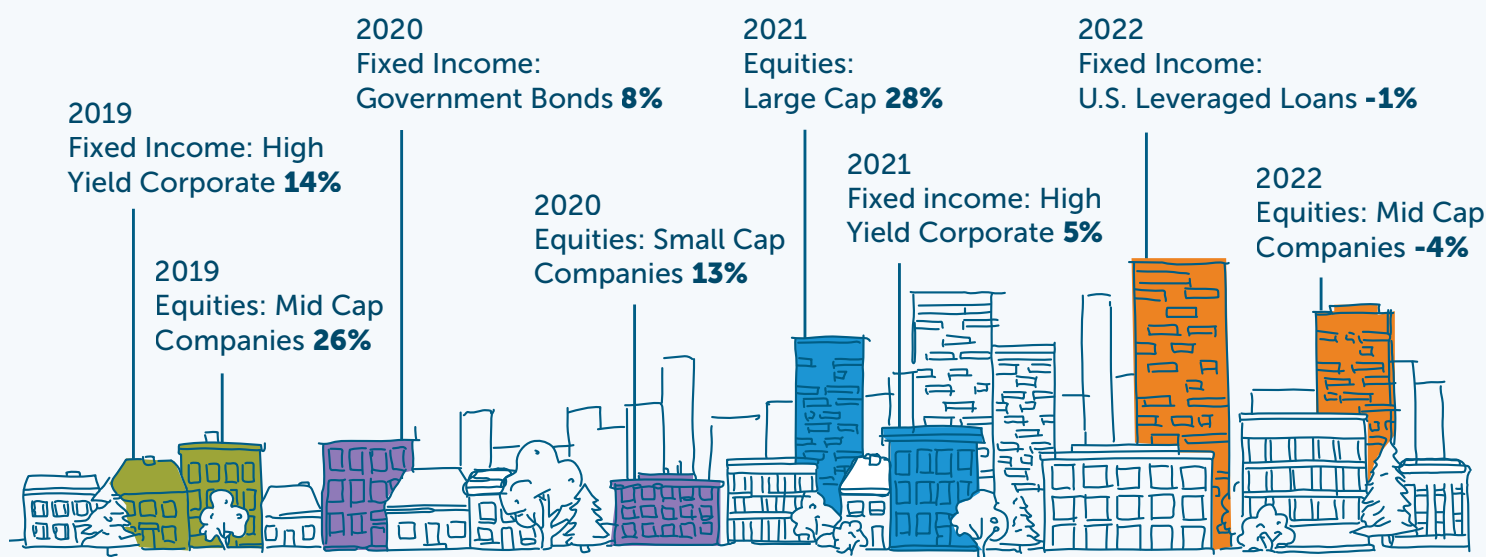
### 3. Look beyond the surface to help balance risk and reward

Drilling deeper into equity and fixed income securities within any segregated fund exposes several sub-categories that can further enhance diversification within a portfolio.

Example sub-categories within equities	Example sub-categories within fixed income
Company Size (small, medium, large)	Credit quality <sup>2</sup> (government, corporate & high yield bonds)

By having exposure to companies of all sizes and a variety of fixed income categories, you can increase the potential to smooth out performance and achieve a good balance between risk and reward.

#### Top performing Canadian equity and U.S. fixed income sub-categories by year



Source: Morningstar Research Inc. as at September 30, 2023. Indices are unmanaged and cannot be invested in directly.

Fixed Income: U.S. High Yield Corporate based on Bloomberg US Corporate High Yield TR USD. U.S. Leveraged Loan based on Morningstar LSTA US LL Index TR USD. Government Bonds based on Bloomberg US Government TR USD.

Equities: Small Cap Companies based on S&P/TSX Small Cap TR. Mid Cap Companies based on S&P/TSX Completion TR. Large Cap Companies based on S&P/TSX 60 TR.

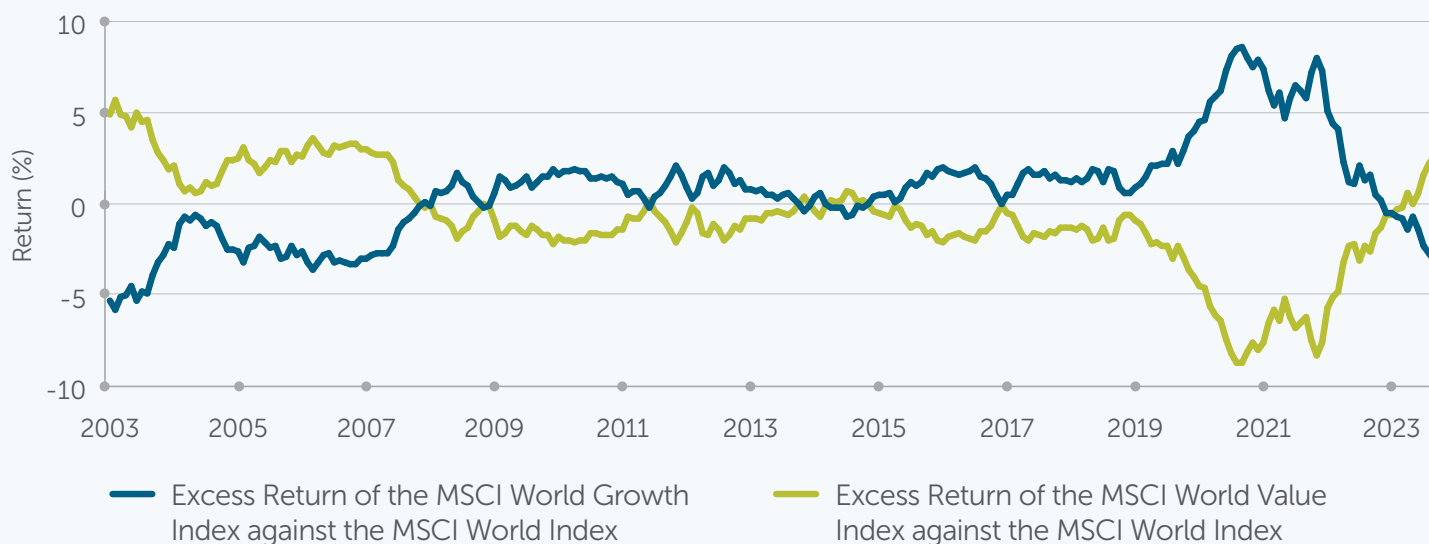
<sup>2</sup> Credit quality is a measure of how likely you are to receive any expected interest payments and the principal of the bond upon maturity. Historically, lower-quality bonds, often referred to as a high yield, offer a higher potential rate of return, but carry a higher risk of default, or not being paid back. Conversely, high-quality government bonds carry very little risk of default but will often have much lower returns. Corporate bonds generally fall somewhere in between government bonds and high yield bonds.

#### 4. Growth and value investment style: two sides of the same coin

Growth and value are common investment styles that evaluate stocks using similar fundamentals but through very different perspectives. They could be described as two sides of the same coin when it comes to adding upside potential to a portfolio. Growth and value have historically tended to outperform each other at different times of the market cycle. Adding style diversification to your portfolio has the potential to minimize downside risk while participating in the upside.

##### The interrelationship between growth and value-oriented stocks

3-year rolling returns versus the MSCI World Index



Source: Morningstar Research Inc. as at September 30, 2023. Indices are unmanaged and cannot be invested in directly.



## Empire Life asset allocation segregated fund solutions

An investment solution that offers you exposure to several of these diversification elements has the potential to help you achieve your financial goals.

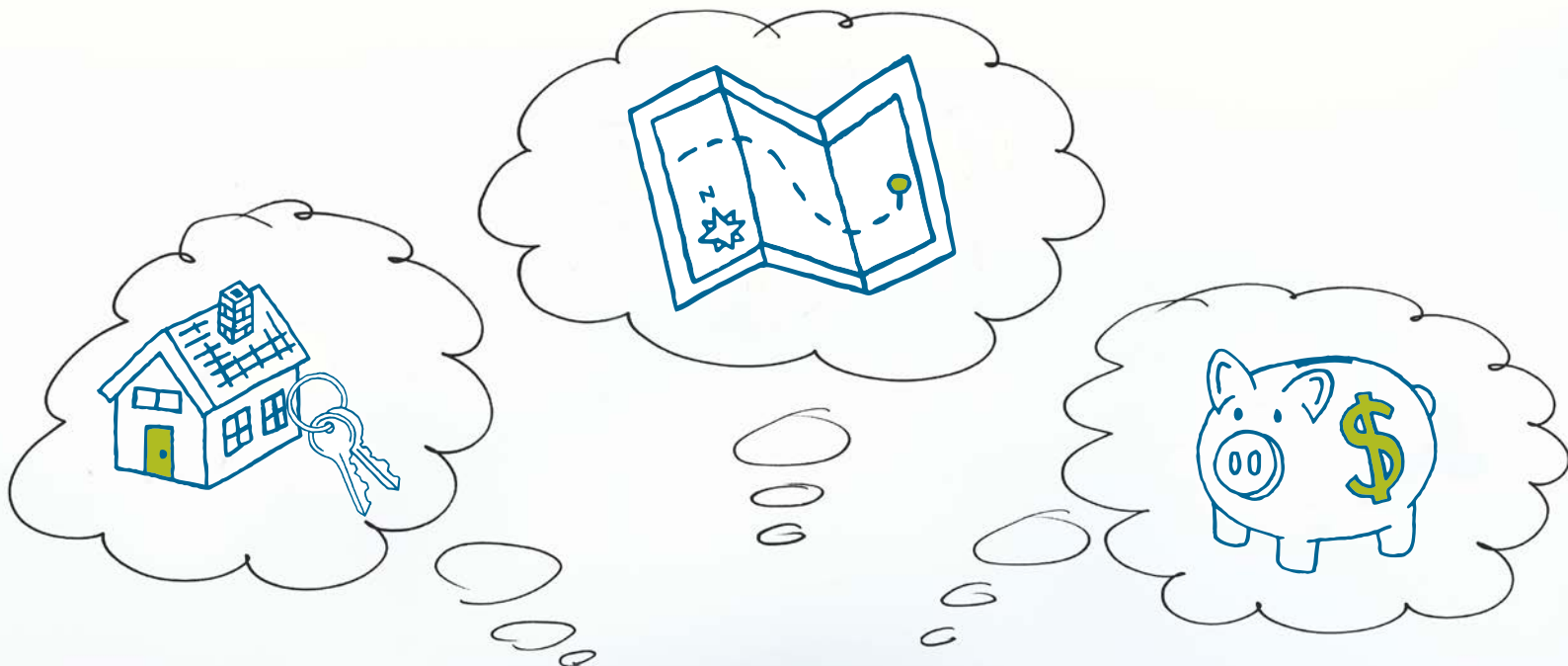
Empire Life asset allocation segregated funds are diversified across several regions, sectors and investment types. With professionally managed portfolios that range from very conservative to aggressive, there is a solution to fit most investor profiles.

Investor Profile	Target Allocation		Empire Life segregated funds	Relative Level of Diversification		
	Fixed Income	Equity		Region	Sector	Inv Type <sup>3</sup>
<b>Very Conservative</b> You prefer a very stable investment, less focus on capital growth.	80%	20%	Emblem Diversified Income	Med	Hi	Hi
<b>Conservative</b> You prefer a stable investment, with less focus on capital growth	70%	30%	Empire Life Income GIF*	Low	Low	Hi
			Emblem Conservative	Med	Hi	Hi
			Emblem Global Conservative	Hi	Hi	Med
			Multi-Strategy Global Conservative	Hi	Hi	Hi
			Empire Life Canoe Conservative Portfolio GIF**	Med	Hi	Hi
<b>Balanced</b> You prefer a strategy that combines asset classes in approximately equal amounts in an attempt to balance risk and return.	50%	50%	Emblem Balanced	Med	Hi	Hi
			Emblem Global Balanced	Hi	Hi	Hi
			Multi-Strategy Global Balanced	Hi	Hi	Hi
			Multi-Strategy Global Growth Balanced	Hi	Hi	Hi
			Empire Life Balanced GIF*	Med	Hi	Hi
			Empire Life Asset Allocation GIF*	Med	Hi	Hi
			Empire Life Global Asset Allocation GIF	Hi	Hi	Hi
			Empire Life Canoe Balanced Portfolio GIF**	Med	Hi	Hi
<b>Moderate Growth</b> You are willing to accept periods of moderate market volatility in exchange for the potential of greater returns.	30%	70%	Emblem Moderate Growth	Low	Hi	Hi
			Emblem Global Moderate Growth	Hi	Hi	Hi
			Multi-Strategy Global Moderate Growth	Hi	Hi	Hi
			Empire Life Monthly Income GIF	Low	Hi	Hi
			Empire Life Canoe Moderate Growth Portfolio GIF**	Med	Hi	Hi
<b>Growth</b> You emphasize long-term growth while seeking to maintain a moderate level of stability for your investment.	20%	80%	Emblem Growth	Med	Hi	Hi
			Empire Life Dividend Balanced GIF*	Low	Med	Hi
<b>Aggressive Growth</b> You emphasize long-term growth, seeking to achieve the highest return possible on your investment.	0%	100%	Emblem Aggressive Growth	Low	Hi	Med
			Emblem Global Aggressive Growth	Hi	Med	Med
			Multi-Strategy Canadian Equity	Low	Hi	Hi
			Multi-Strategy US Equity	Low	Hi	Hi
			Multi-Strategy Global Equity	Hi	Hi	Hi
			Multi-Strategy Global Growth	Hi	Hi	Hi

\* This is the marketing name for the fund. The fund's legal name excludes "Empire Life" and "GIF" and includes "Fund" at the end of its name.

\*\* This is the marketing name for the fund. The fund's legal name excludes "Empire Life" and "GIF" and includes "Canoe EL" at the start and "Protection Portfolio" at the end of its name.

<sup>3</sup> Inv. Type refers to the diversification level of equity sectors and types of fixed income securities within the portfolio.



➤ **Speak with your advisor to find out how a professionally managed Empire Life segregated fund can help you achieve your goals.**

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Segregated Fund contracts are issued by The Empire Life Insurance Company ("Empire Life").

A description of the key features of the individual variable insurance contract is contained in the Information Folder for the product being considered.

**Any amount that is allocated to a segregated fund is invested at the risk of the contract owner and may increase or decrease in value.** Past performance is no guarantee of future performance. All returns are calculated after taking expenses, management and administration fees into account.

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259 King Street East, Kingston, ON K7L 3A8 • 1 877 548-1881 • [info@empire.ca](mailto:info@empire.ca) • [empire.ca](http://empire.ca)

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